

SECOND REGULAR SESSION

SENATE BILL NO. 1037

94TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR SHIELDS.

Read 1st time January 28, 2008, and ordered printed.

TERRY L. SPIELER, Secretary.

4651S.011

AN ACT

To repeal section 163.011, RSMo, and to enact in lieu thereof one new section relating to state funding for elementary and secondary education.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Section 163.011, RSMo, is repealed and one new section
2 enacted in lieu thereof, to be known as section 163.011, to read as follows:

163.011. As used in this chapter unless the context requires otherwise:

2 (1) "Adjusted operating levy", the sum of tax rates for the current year for
3 teachers' and incidental funds for a school district as reported to the proper
4 officer of each county pursuant to section 164.011, RSMo;

5 (2) "Average daily attendance", the quotient or the sum of the quotients
6 obtained by dividing the total number of hours attended in a term by resident
7 pupils between the ages of five and twenty-one by the actual number of hours
8 school was in session in that term. To the average daily attendance of the
9 following school term shall be added the full-time equivalent average daily
10 attendance of summer school students. "Full-time equivalent average daily
11 attendance of summer school students" shall be computed by dividing the total
12 number of hours, except for physical education hours that do not count as credit
13 toward graduation for students in grades nine, ten, eleven, and twelve, attended
14 by all summer school pupils by the number of hours required in section 160.011,
15 RSMo, in the school term. For purposes of determining average daily attendance
16 under this subdivision, the term "resident pupil" shall include all children
17 between the ages of five and twenty-one who are residents of the school district
18 and who are attending kindergarten through grade twelve in such district. If a
19 child is attending school in a district other than the district of residence and the

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

20 child's parent is teaching in the school district or is a regular employee of the
21 school district which the child is attending, then such child shall be considered
22 a resident pupil of the school district which the child is attending for such period
23 of time when the district of residence is not otherwise liable for tuition. Average
24 daily attendance for students below the age of five years for which a school
25 district may receive state aid based on such attendance shall be computed as
26 regular school term attendance unless otherwise provided by law;

27 (3) "Current operating expenditures":

28 (a) For the fiscal year 2007 calculation, "current operating expenditures"
29 shall be calculated using data from fiscal year 2004 and shall be calculated as all
30 expenditures for instruction and support services except capital outlay and debt
31 service expenditures minus the revenue from federal categorical sources; food
32 service; student activities; categorical payments for transportation costs pursuant
33 to section 163.161; state reimbursements for early childhood special education;
34 the career ladder entitlement for the district, as provided for in sections 168.500
35 to 168.515, RSMo; the vocational education entitlement for the district, as
36 provided for in section 167.332, RSMo; and payments from other districts;

37 (b) In every fiscal year subsequent to fiscal year 2007, current operating
38 expenditures shall be the amount in paragraph (a) plus any increases in state
39 funding pursuant to sections 163.031 and 163.043 subsequent to fiscal year 2005,
40 not to exceed five percent, per recalculation, of the state revenue received by a
41 district in the 2004-05 school year from the foundation formula, line 14, gifted,
42 remedial reading, exceptional pupil aid, fair share, and free textbook payments
43 for any district from the first preceding calculation of the state adequacy target;

44 (4) "District's tax rate ceiling", the highest tax rate ceiling in effect
45 subsequent to the 1980 tax year or any subsequent year. Such tax rate ceiling
46 shall not contain any tax levy for debt service;

47 (5) "Dollar-value modifier", an index of the relative purchasing power of
48 a dollar, calculated as one plus fifteen percent of the difference of the regional
49 wage ratio minus one, provided that the dollar value modifier shall not be applied
50 at a rate less than 1.0:

51 (a) "County wage per job", the total county wage and salary disbursements
52 divided by the total county wage and salary employment for each county and the
53 city of St. Louis as reported by the Bureau of Economic Analysis of the United
54 States Department of Commerce for the fourth year preceding the payment year;

55 (b) "Regional wage per job":

56 a. The total Missouri wage and salary disbursements of the metropolitan
57 area as defined by the Office of Management and Budget divided by the total
58 Missouri metropolitan wage and salary employment for the metropolitan area for
59 the county signified in the school district number or the city of St. Louis, as
60 reported by the Bureau of Economic Analysis of the United States Department
61 of Commerce for the fourth year preceding the payment year and recalculated
62 upon every decennial census to incorporate counties that are newly added to the
63 description of metropolitan areas; or if no such metropolitan area is established,
64 then:

65 b. The total Missouri wage and salary disbursements of the micropolitan
66 area as defined by the Office of Management and Budget divided by the total
67 Missouri micropolitan wage and salary employment for the micropolitan area for
68 the county signified in the school district number, as reported by the Bureau of
69 Economic Analysis of the United States Department of Commerce for the fourth
70 year preceding the payment year, if a micropolitan area for such county has been
71 established and recalculated upon every decennial census to incorporate counties
72 that are newly added to the description of micropolitan areas; or

73 c. If a county is not part of a metropolitan or micropolitan area as
74 established by the Office of Management and Budget, then the county wage per
75 job, as defined in paragraph (a) of this subdivision, shall be used for the school
76 district, as signified by the school district number;

77 (c) "Regional wage ratio", the ratio of the regional wage per job divided by
78 the state median wage per job;

79 (d) "State median wage per job", the fifty-eighth highest county wage per
80 job;

81 (6) "Free and reduced lunch pupil count", the number of pupils eligible for
82 free and reduced lunch on the last Wednesday in January for the preceding school
83 year who were enrolled as students of the district, as approved by the department
84 in accordance with applicable federal regulations;

85 (7) "Free and reduced lunch threshold" shall be calculated by dividing the
86 total free and reduced lunch pupil count of every performance district that falls
87 entirely above the bottom five percent and entirely below the top five percent of
88 average daily attendance, when such districts are rank-ordered based on their
89 current operating expenditures per average daily attendance, by the total average
90 daily attendance of all included performance districts;

91 (8) "Limited English proficiency pupil count", the number in the preceding

92 school year of pupils aged three through twenty-one enrolled or preparing to
93 enroll in an elementary school or secondary school who were not born in the
94 United States or whose native language is a language other than English or are
95 Native American or Alaskan native, or a native resident of the outlying areas,
96 and come from an environment where a language other than English has had a
97 significant impact on such individuals' level of English language proficiency, or
98 are migratory, whose native language is a language other than English, and who
99 come from an environment where a language other than English is dominant; and
100 have difficulties in speaking, reading, writing, or understanding the English
101 language sufficient to deny such individuals the ability to meet the state's
102 proficient level of achievement on state assessments described in Public Law
103 107-10, the ability to achieve successfully in classrooms where the language of
104 instruction is English, or the opportunity to participate fully in society;

105 (9) "Limited English proficiency threshold" shall be calculated by dividing
106 the total limited English proficiency pupil count of every performance district that
107 falls entirely above the bottom five percent and entirely below the top five percent
108 of average daily attendance, when such districts are rank-ordered based on their
109 current operating expenditures per average daily attendance, by the total average
110 daily attendance of all included performance districts;

111 (10) "Local effort":

112 (a) For the fiscal year 2007 calculation, "local effort" shall be computed as
113 the equalized assessed valuation of the property of a school district in calendar
114 year 2004 divided by one hundred and multiplied by the performance levy less the
115 percentage retained by the county assessor and collector plus one hundred
116 percent of the amount received in fiscal year 2005 for school purposes from
117 intangible taxes, fines, escheats, payments in lieu of taxes and receipts from
118 state-assessed railroad and utility tax, one hundred percent of the amount
119 received for school purposes pursuant to the merchants' and manufacturers' taxes
120 under sections 150.010 to 150.370, RSMo, one hundred percent of the amounts
121 received for school purposes from federal properties under sections 12.070 and
122 12.080, RSMo, except when such amounts are used in the calculation of federal
123 impact aid pursuant to P.L. 81-874, fifty percent of Proposition C revenues
124 received for school purposes from the school district trust fund under section
125 163.087, and one hundred percent of any local earnings or income taxes received
126 by the district for school purposes. Under this paragraph, for a special district
127 established under sections 162.815 to 162.940, RSMo, in a county with a charter

128 form of government and with more than one million inhabitants, a tax levy of zero
129 shall be utilized in lieu of the performance levy for the special school district;

130 (b) In every year subsequent to fiscal year 2007, "local effort" shall be the
131 amount calculated under paragraph (a) of this subdivision plus any increase in
132 the amount received for school purposes from fines. If a district's assessed
133 valuation has decreased subsequent to the calculation outlined in paragraph (a)
134 of this subdivision, the district's local effort shall be calculated using the district's
135 current assessed valuation in lieu of the assessed valuation utilized in calculation
136 outlined in paragraph (a) of this subdivision;

137 (11) "Membership" shall be the average of:

138 (a) The number of resident full-time students and the full-time equivalent
139 number of part-time students who were enrolled in the public schools of the
140 district on the last Wednesday in September of the previous year and who were
141 in attendance one day or more during the preceding ten school days; and

142 (b) The number of resident full-time students and the full-time equivalent
143 number of part-time students who were enrolled in the public schools of the
144 district on the last Wednesday in January of the previous year and who were in
145 attendance one day or more during the preceding ten school days, plus the
146 full-time equivalent number of summer school pupils. "Full-time equivalent
147 number of part-time students" is determined by dividing the total number of
148 hours for which all part-time students are enrolled by the number of hours in the
149 school term. "Full-time equivalent number of summer school pupils" is
150 determined by dividing the total number of hours for which all summer school
151 pupils were enrolled by the number of hours required pursuant to section
152 160.011, RSMo, in the school term. Only students eligible to be counted for
153 average daily attendance shall be counted for membership;

154 (12) "Operating levy for school purposes", the sum of tax rates levied for
155 teachers' and incidental funds plus the operating levy or sales tax equivalent
156 pursuant to section 162.1100, RSMo, of any transitional school district containing
157 the school district, in the payment year, not including any equalized operating
158 levy for school purposes levied by a special school district in which the district is
159 located;

160 (13) "Performance district", any district that has met all performance
161 standards and indicators as established by the department of elementary and
162 secondary education for purposes of accreditation under section 161.092, RSMo,
163 and as reported on the final annual performance report for that district each year;

164 (14) "Performance levy", three dollars and forty-three cents;
165 (15) "School purposes" pertains to teachers' and incidental funds;
166 (16) "Special education pupil count", the number of public school students
167 with a current individualized education program and receiving services from the
168 resident district as of December first of the preceding school year, except for
169 special education services provided through a school district established under
170 sections 162.815 to 162.940, RSMo, in a county with a charter form of government
171 and with more than one million inhabitants, in which case the sum of the
172 students in each district within the county exceeding the special education
173 threshold of each respective district within the county shall be counted within the
174 special district and not in the district of residence for purposes of distributing the
175 state aid derived from the special education pupil count;
176 (17) "Special education threshold" shall be calculated by dividing the total
177 special education pupil count of every performance district that falls entirely
178 above the bottom five percent and entirely below the top five percent of average
179 daily attendance, when such districts are rank-ordered based on their current
180 operating expenditures per average daily attendance, by the total average daily
181 attendance of all included performance districts;
182 (18) "State adequacy target", the sum of the current operating
183 expenditures of every performance district that falls entirely above the bottom
184 five percent and entirely below the top five percent of average daily attendance,
185 when such districts are rank-ordered based on their current operating
186 expenditures per average daily attendance, divided by the total average daily
187 attendance of all included performance districts. The department of elementary
188 and secondary education shall first calculate the state adequacy target for fiscal
189 year 2007 and recalculate the state adequacy target every two years using the
190 most current available data. The recalculation shall never result in a decrease
191 **[from] of one hundred two percent of** the previous state adequacy target
192 amount. Should a recalculation result in an increase in the state adequacy target
193 amount, fifty percent of that increase shall be included in the state adequacy
194 target amount in the year of recalculation, and fifty percent of that increase shall
195 be included in the state adequacy target amount in the subsequent year. The
196 state adequacy target may be adjusted to accommodate available appropriations;
197 (19) "Teacher", any teacher, teacher-secretary, substitute teacher,
198 supervisor, principal, supervising principal, superintendent or assistant
199 superintendent, school nurse, social worker, counselor or librarian who shall,

200 regularly, teach or be employed for no higher than grade twelve more than
201 one-half time in the public schools and who is certified under the laws governing
202 the certification of teachers in Missouri;

203 (20) "Weighted average daily attendance", the average daily attendance
204 plus the product of twenty-five hundredths multiplied by the free and reduced
205 lunch pupil count that exceeds the free and reduced lunch threshold, plus the
206 product of seventy-five hundredths multiplied by the number of special education
207 pupil count that exceeds the special education threshold, and plus the product of
208 six-tenths multiplied by the number of limited English proficiency pupil count
209 that exceeds the limited English proficiency threshold. For special districts
210 established under sections 162.815 to 162.940, RSMo, in a county with a charter
211 form of government and with more than one million inhabitants, weighted
212 average daily attendance shall be the average daily attendance plus the product
213 of twenty-five hundredths multiplied by the free and reduced lunch pupil count
214 that exceeds the free and reduced lunch threshold, plus the product of
215 seventy-five hundredths multiplied by the sum of the special education pupil
216 count that exceeds the threshold for each county district, plus the product of
217 six-tenths multiplied by the limited English proficiency pupil count that exceeds
218 the limited English proficiency threshold. None of the districts comprising a
219 special district established under sections 162.815 to 162.940, RSMo, in a county
220 with a charter form of government and with more than one million inhabitants,
221 shall use any special education pupil count in calculating their weighted average
222 daily attendance.

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